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YORK COUNTY
FEDERATION OF AGRICULTURE
Stouffville, Ontario

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THIS BRIEF IS SUBMITTED TO THE ONTARIO COMMITTEE ON TAXATION BY THE YORK COUNTY FEDERATION OF AGRICULTURE, REPRESENTING THE FARMERS OF YORK COUNTY.

TAXATION OF FARMS:

The most prevalent form of wealth in this country about 100 years ago was land used in agriculture, and in the production of food and fibre, and most of the industry and labour was directly associated with this agricultural industry.

The Baldwin Act was drafted at that time to provide finances for municipal purposes. Naturally most of this tax was directly charged against farms and farm families.

To-day municipal services have increased and are provided on a much larger scale. The services demanded by urban residents are far beyond the need of farmers or their ability to pay from the income of their land.

Education, welfare, administration of justice, hospitalization and recreation are services rendered to people and should not be charged to real estate. To a large degree, the same holds true for police protection and the enforcement of the highway traffic regulations. In Markham Township 60% of the police time is required in highway traffic regulation. Invariably, farmers benefit less by these services than any other people.

Farmers must have large areas of land and sizeable buildings which are tools of their trade. Because of the outdated mode of taxation existing to-day, farmers pay much more than their share of municipal costs. Thus, the present system of taxation discriminates against them.

An example is on lot 4, concession 7, Markham Township. A 100 acre farm is assessed for $8,860.00. A ½ acre lot with identical house adjoining is assessed for $2,910.00. For almost the same services the farmer pays 3 times as much municipal tax.

If our municipal and legislative leaders are concerned with the future of agriculture and the maintenance of the rural areas, something must be done to place municipal taxes on a more equitable basis and levy tax only where services are rendered. The assessment and taxation of farm land must have a fair relationship to its ability to pay and the services rendered to it.

ASSESSMENT OF FARMS:

The farmers of York County have witnessed land assessment and taxation placed on farm land that was unrealistic and failed to reflect sound judgment, as was proven at a much later date in court. They have witnessed the appointment of Assessors and Assessment Commissioners who are virtually Dictators, who refuse to accept even the direction of the Courts or the Elected Representatives who employ them.

It would appear that Assessors and Assessment Commissioners make their own interpretations and accept direction from no one. This is evidenced in the various interpretations that are placed by Assessors, depending on their training and conditioning, or the lack of such.

While provision is made for appealing assessments, the procedure is lengthy, costly, and in the opinion of some, impossible to win. At present it is necessary to prove the Assessor wrong. He cannot be cross-examined, nor does he have to furnish any reason for

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his action. According to Judge McDonough's decision, to assess and tax land on its speculative value or future use or future value is unjustifiable. The assessment and taxation of land on future value is an indirect form of Capital Gains Tax imposed on a yearly basis on a gain that may never be made. While one property may be sold for a large sum of money, this is no indication that all other land in that area can be sold for the same amount.

In spite of this, some Assessors attempt to justify unreasonably high assessments by reference to this concept of value. The resulting tax is imposed by one individual without proper guidance or direction.

Farm land as an income earning asset is no greater than a job to a labourer, the tools of a carpenter, the machines of a manufacturer or the goods on a merchants shelf, and should not be taxed for municipal services or education.

WE THEREFORE MAKE THE FOLLOWING RECOMMENDATIONS:

1. That all property be assessed or valued for assessment purposes according to present use at the present time; - this value to be based as far as possible on rental values.
2. That in proving the legality of assessment, the onus of proof be placed on the Assessor at any assessment disputes.

In regard to taxes, we would recommend that people be taxed for services required to people, and that real estate be taxed for services required to real estate.

RESPECTFULLY SUBMITTED BY THE
PROPERTY COMMITTEE OF YORK COUNTY
FEDERATION OF AGRICULTURE:
F. Brumwell,
E. Harrington,
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